

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 874

A bill to amend 1998 PA 492, entitled

"An act to authorize the state administrative board to convey certain parcels of state owned property in Oakland county and Genesee county; to provide for certain powers and duties of the department of management and budget and certain municipalities in regard to that property; to prescribe conditions for the conveyances; and to provide for disposition of the revenue derived from the conveyances; and to alter certain use restrictions,"

by amending section 3.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 3. (1) The state administrative board, on behalf of  
2 the state, may convey for consideration of not less than fair  
3 market value as determined pursuant to subsection (2), or for  
4 less than fair market value subject to subsections (4), (5), and  
5 (6), all or a portion of property now under the jurisdiction of  
6 the department of community health and located in the city of  
7 Pontiac, Oakland county, Michigan, commonly known as the Clinton  
8 Valley Center, Fairlawn center campus, and further described as

1 follows:

2 A parcel of land in the NW 1/4 of section 30, T3N, R10E, City of  
3 Pontiac, Oakland County, Michigan and more particularly described  
4 as commencing at the northwest corner of said section 30; thence  
5 S00°00'00"W 2482.90 feet; thence S90°00'00"E 1396.89 feet, to the  
6 point of beginning of this description on the northerly right of  
7 way line of Elizabeth Lake Road; thence N00°13'24"W 1264.98 feet;  
8 thence N89°15'33"W 887.40 feet; thence N00°13'24"W 1200.00 feet;  
9 thence S89°15'33"E 953.02 feet; thence S00°13'24"E 2451.81 feet,  
10 to the northerly right of way line of Elizabeth Lake Road; thence  
11 S79°21'30"W 66.71 feet, on said right of way to the point of  
12 beginning, containing 28.15 acres.

13 (2) The fair market value of the property described in  
14 subsection (1) shall be determined by an appraisal prepared by  
15 the state tax commission or an independent fee appraiser.

16 (3) The description of the property in subsection (1) is  
17 approximate and for purposes of the conveyance is subject to  
18 adjustments as the state administrative board or the attorney  
19 general considers necessary by survey or other legal  
20 description.

21 (4) The director of management and budget shall offer the  
22 property described in this section for sale **as follows:**

23 **(a) The property first shall be offered to the school**  
24 **district of the city of Pontiac for consideration of not less**  
25 **than 75% of fair market value, for the purpose of constructing**  
26 **and operating a new school operated by the school district. The**  
27 **school district of the city of Pontiac has the first right to**

1 purchase the property for a period of 120 days after the  
2 effective date of the 2004 amendatory act that amended this  
3 section. If the school district of the city of Pontiac purchases  
4 the property and subsequently conveys the property for any  
5 purpose other than public education, the school district of the  
6 city of Pontiac shall pay to the state both of the following  
7 amounts:

8 (i) An amount equal to the fair market value of the property  
9 at the time it was sold to the school district by the state, less  
10 the price the school district paid to the state for the  
11 property.

12 (ii) An amount equal to 50% of the price paid by the  
13 subsequent purchaser to the school district for the property,  
14 less the fair market value of the property at the time it was  
15 sold to the school district by the state.

16 (b) If the school district of the city of Pontiac does not  
17 purchase the property, the director of management and budget  
18 shall offer the property for sale on the open market for fair  
19 market value or by broker contract.

20 (5) If the property described in subsection (1) is not sold  
21 pursuant to subsection (4) and fails to sell at a public sale for  
22 fair market value, the director of management and budget with the  
23 concurrence of the state administrative board may do any of the  
24 following:

25 (a) Order a reappraisal of the property.

26 (b) Withdraw the property from sale.

27 (c) Offer the property for sale for less than fair market

1 value.

2 (6) ~~Any~~ **A** conveyance of the property described in ~~this~~  
3 ~~section~~ **subsection (1)** for less than fair market value **pursuant**  
4 **to subsection (5)(c)** shall provide for both of the following:

5 (a) That the property shall be used exclusively for public  
6 purposes and if any fee, term, or condition is imposed on members  
7 of the public for recreational use of the conveyed property, all  
8 resident and nonresident members of the public shall be subject  
9 to the same fees, terms, and conditions, except that the grantee  
10 may waive daily fees or waive fees for the use of specific areas  
11 or facilities; and that upon termination of that use or use for  
12 any other purpose, the state may reenter and repossess the  
13 property, terminating the grantee's estate in the property.

14 (b) That if the grantee disputes the state's exercise of its  
15 rights of reentry and fails to promptly deliver possession of the  
16 property to the state, the attorney general, on behalf of the  
17 state, may bring an action to quiet title to, and regain  
18 possession of, the property.

19 (7) The conveyance authorized by this section shall be by  
20 quitclaim deed approved by the attorney general. The conveyance  
21 shall not reserve the mineral rights to the state; however, the  
22 conveyance shall provide that if the grantee derives any revenue  
23 from the development of any minerals found on, within, or under  
24 the conveyed property, the grantee shall pay 1/2 of that revenue  
25 to the state, for deposit in the state general fund.

[Enacting section 1. This amendatory act takes effect January 1,  
2005.]